



City of WOODSTOCK ILLINOIS

THE POPULAR ANNUAL
FINANCIAL REPORT

for the Fiscal Year
Ending 4/30/15

Where the Money Comes From and
Where the Money Goes **Pages 2 & 3**

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LETTER FROM THE MAYOR

Fellow Citizens of Woodstock:

I am pleased to present the City of Woodstock's Popular Annual Financial Report (PAFR) for the fiscal year ended April 30, 2015. The PAFR is specifically designed to communicate the financial condition of the City through open, user-friendly financial reporting in an effort to increase public awareness and understanding of where City revenues come from and where dollars are spent. The report also provides an overview of the City's property tax levy and capital improvement and economic development efforts.

The financial information presented in this report has been summarized and combined from assorted financial statements in the City's 2015 Comprehensive Annual Financial Report (CAFR), a highly-detailed financial report prepared in conformity with generally accepted accounting principles and audited by Sikich LLP. The PAFR omits financial information on Fiduciary and Internal Service Funds included in the 2015 CAFR and available for your review on the City's website at www.woodstockil.gov.

On behalf of the City Council, and in keeping with our commitment to live within our means, I am pleased to inform you the City of Woodstock once again ended the fiscal year with a balanced financial situation in which operating expenditures were offset by corresponding revenues. Further, for the fourth consecutive year, this was accomplished while simultaneously foregoing the inflationary increase allowed by State law on the City's total property tax levy imposed on residents. I am also happy to report the adopted FY15/16 Budget represents yet another prudent, conservative, balanced financial plan in which the City's spending practices remain in check and operating expenses are offset by identified and actual revenue streams. These significant accomplishments have occurred without imposing any new municipal taxes and without reduction to City services.

In addition to a continued and determined focus on financial stability, the City Council will work with City staff during the current fiscal year on the following priorities:

- Expansion of economic development efforts through the creation of a dedicated and fully staffed *Economic Development Department*;
- Establishment and support of a community partnership for a professionally designed and promoted *Branding and Marketing Program* for the City;
- Implementation of the State-approved, first in McHenry County, *Harvard/Woodstock Enterprise Zone*;
- Establishment and appointment of an *Old Courthouse and Sheriff's House Advisory Commission*;
- Completion of an area-wide *High-speed Fiber Optic Network* installation;
- Continuation of the *Route 14 Expansion* between Crystal Lake and Woodstock; and
- Establishment of a *City-wide Streets Renovation Plan*.

It is important to express appreciation to all who continue to foster and support this great community...our dedicated and hard-working professional staff; the many businesses that have chosen to invest in our City; our churches, service organizations and volunteers who routinely rise to the call for assistance; and our residents who call Woodstock home. The spirit of community evidenced by your individual and collective commitment to working together to make good things happen is the keystone to our success and sets us apart from others.

I hope the Popular Annual Financial Report assists you in understanding the City's financial picture and future commitments. Questions, comments and feedback are welcome, so please

do not hesitate to contact the City Manager's Office at 815-338-4301 or e-mail citymanager@woodstockil.gov.

Best regards,

Brian Sager, Ph.D.
Mayor



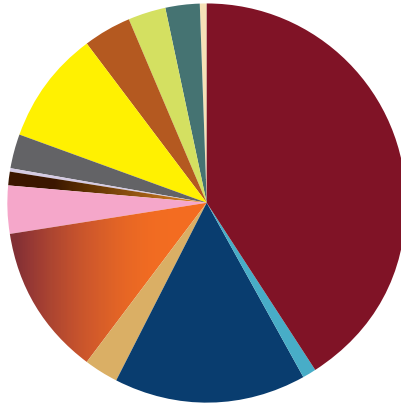
Mayor Brian Sager

WHERE THE MONEY COMES FROM

GOVERNMENTAL FUNDS (REVENUES)

Property taxes constitute the largest percentage of revenue for governmental funds at 41.3%. Sales tax is the next largest source of income at 15.5%. The City receives 1% of all sales made in the City limits. Since sales tax is such an important revenue component and an increase in sales tax can lessen the City's dependency on property taxes, the City has devoted more of its resources, such as hiring new personnel in the Economic Development Department, to increase business throughout the City.

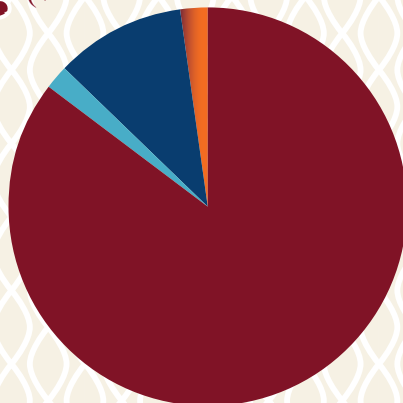
Rounding out the top three revenue sources is income tax at 12.3%. Like other municipalities, the City receives 8% of all income tax generated from the State of Illinois that is distributed on a per capita basis.



PROPERTY TAXES	\$9,900,225	41.3%	MOTOR FUEL TAX	\$635,383	2.6%
REPLACEMENT TAXES	\$260,205	1.1%	CHARGES FOR SERVICES	\$2,197,062	9.2%
SALES TAXES	\$3,717,001	15.5%	FINES AND FEES	\$931,150	3.9%
TELECOMM. TAXES	\$668,249	2.8%	INVESTMENT INCOME	\$(49,530)	(0.2%)
INCOME TAXES	\$2,950,270	12.3%	MISCELLANEOUS	\$706,373	2.9%
INTERGOVERNMENTAL	\$935,990	3.9%	TRANSFERS	\$673,040	2.8%
LICENSES AND PERMITS	\$256,219	1.1%	NET EFFECT OF DEBT ISSUANCE	\$113,799	0.5%
HOTEL/MOTEL TAX	\$76,528	0.3%	TOTAL	\$23,971,964	100%



BUSINESS-TYPE ACTIVITIES (WATER & SEWER FUND)



REVENUES

Business-Type Activities presented here are made up exclusively of the Water and Sewer Fund. As such, it would be expected that Water and Sewer Sales would make up the majority of revenue at 85.8%. This revenue is collected and used to cover the cost of providing water and sewer services to the citizens of Woodstock. Connection fees are the next largest source of revenue at 10.5%. These funds are set aside in a separate fund and are to be used for future expansion of the water and wastewater treatment plants.

WATER & SEWER SALES	\$4,350,585	85.8%
INTERGOVERNMENTAL	\$99,227	1.9%
CONNECTION FEES	\$531,449	10.5%
INVESTMENT INCOME	\$(8,238)	(0.2%)
MISCELLANEOUS	\$99,518	2.0%
TOTAL	\$5,072,541	100%



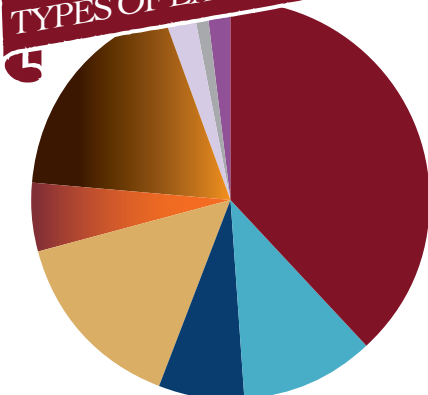
WHERE THE MONEY GOES

GOVERNMENTAL FUNDS (EXPENDITURES)

Since much of governmental work depends on providing services such as snowplowing, public safety, and code enforcement, it is no surprise that salaries make up the largest percentage of Expenditure Types at 38.1%. The next largest Expenditures Type is Capital Outlay at 18.2%. Capital Outlay expenditures include new roads and significant building improvements such as the work on the Old Courthouse. The third largest Expenditure Type is contractual services at 15.0% which includes many different types of services such as maintenance contractors and professional services.

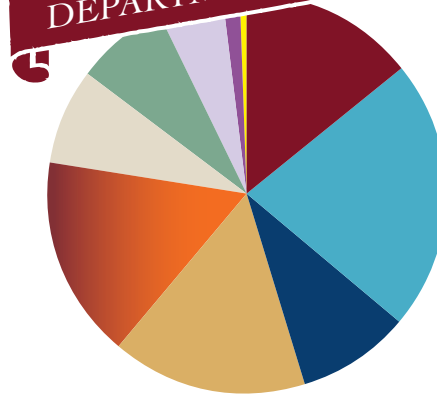
As far as Department Types, Public Safety constitutes the largest expenditure of governmental funds at 27.4%, as a result of the significant amount of labor required in this area. General Government at 21.4%, and Culture and Recreation at 19.8%, complete the top three expenditure areas by Department Types.

FIGURES SHOWN BY
TYPES OF EXPENDITURES



SALARIES	\$9,499,225	38.1%
EMPLOYEE BENEFITS	\$2,712,944	10.9%
PERSONAL SERVICES	\$1,764,063	7.1%
CONTRACTUAL SERVICES	\$3,732,913	15.0%
COMMODITIES	\$1,365,277	5.5%
CAPITAL OUTLAY	\$4,534,289	18.2%
INTEREST	\$571,301	2.3%
PRINCIPLE	\$305,000	1.2%
OTHER CHARGES	\$439,477	1.7%
TOTALS	\$24,924,489	100.0%

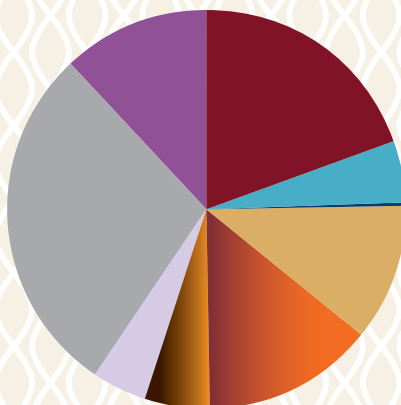
FIGURES SHOWN BY
DEPARTMENT TYPES



GENERAL GOVERNMENT	\$5,326,682	21.4%
PUBLIC SAFETY	\$6,822,418	27.4%
HIGHWAYS AND STREETS	\$2,524,255	10.1%
CULTURE AND RECREATION	\$4,944,647	19.8%
ECONOMIC DEVELOPMENT	\$19,863	0.1%
CAPITAL OUTLAY	\$3,152,449	12.6%
DEBT SERVICE	\$2,056,831	8.3%
OTHER	\$77,344	0.3%
TOTAL	\$30,313,845	100.0%

EXPENSES

Depreciation at 28.5% is the largest expenditure in the Business-Type activities, which as presented here, only includes the Water and Sewer Fund. Depreciation expense is calculated by taking the cost of an asset and then spreading this out over the useful life of the asset. Salaries at 19.7% are second because of the significant amount of labor that is required to operate the Water and Sewer systems. Contractual Services is the third largest expense at 14.0%, which includes items such as electricity and sludge removal.



SALARIES	\$1,113,337	19.7%
EMPLOYEE BENEFITS	\$279,685	4.9%
PERSONAL SERVICES	\$15,668	0.3%
COMMODITIES	\$619,715	11.0%
CONTRACTUAL SERVICES	\$791,459	14.0%
IMPROVEMENTS	\$292,687	5.2%
INTEREST EXPENSE	\$256,810	4.5%
DEPRECIATION	\$1,615,101	28.5%
OTHER	\$673,000	11.9%
TOTALS	\$5,657,462	100.0%



DEPARTMENT INFORMATION

CITY MANAGER'S OFFICE

- Oversees all of the City's Departments.
- Coordinates, prepares and disseminates City Council information/packets.
- Develops and administers the City's annual budget and capital improvement program.
- Approves and coordinates 100+ City special events.
- Coordinates/manages decennial and special census, liquor licenses, regulations, Freedom of Information Act requests, Open Meetings Act, and the City's website.
- Manages the City's information technology.
- Initiates and coordinates the City's grant efforts.

HUMAN RESOURCES

- Provides internal customer service to 143 full-time positions, 18 part-time positions, 75 year round limited part-time employees and 125 seasonal employees.
- Provides employee relations and labor relations expertise to employees and management.
- Oversees and conducts recruitment of employees at all levels.
- Administers employee benefits.
- Manages worker's compensation claims and other areas of risk management.
- Provides employee training and/or communications using in-house resources.

FINANCE

- Oversees all revenue collections and expenditure payments of the City's \$32.5 million annual budget.
- Serves as the City's central information center.
- Collects over 32,000 water and sewer utility payments each year.

BUILDING & ZONING DEPARTMENT

- Conducts building plan review and inspections for new construction and remodeling projects and engages in enforcement activities regarding nuisances, code violations and property maintenance to protect existing and future property owners and residents.
- Reviews and approves residential, commercial, and industrial projects to insure compliance with the City's established land planning and development standards.
- Maintains and updates the City's Comprehensive Plan and Unified Development Ordinance to properly manage future land use activities and community growth.
- Coordinates and administers programs related to Historic Preservation efforts in the City.

ECONOMIC DEVELOPMENT

- Maintains relationships with business and community leaders to enhance business activity, retain existing employers and increase investment in Woodstock.
- Works with developers, brokers, and current and future businesses to facilitate business attraction and growth within the City.
- Coordinates the City's efforts at tourism, arts, downtown and event development and marketing.

POLICE

- Thirty seven (37) sworn officers committed to and accountable for providing public safety and security.
- Responds to more than 15,000 calls for service.
- Offers a host of community service policing initiatives including monthly "Coffee with Chief" meetings, public presentations on safety and crime reduction, Permanent Beat Officers, Bike Officers, Canine Unit, Directed Patrol Initiatives, Explorer Scout, High School Resource Officer, and DARE/GREAT programs offered at the local schools.
- Zero tolerance on gang, graffiti and drug activity.

RECREATION

- Provides over 300 programs that service over 3,600 families per year.
- Woodstock Waterworks accommodates over 40,000 visitors during the summer.
- Operates the Recreation Center that serves over 1,200 members.
- Both of these facilities are required to operate on a self-sufficient basis.
- Participates and helps to organize several community events including the Challenge Road Races, the we.can. tri triathlon, the Halloween Costume Contest, Girls' Fast Pitch Softball Tournament, Summer in the Park, the Journey Care for Children Duck Races and Touch a Truck.
- Schedules approximately 3,000 field reservations for the fifteen athletic organizations that utilize City facilities and approximately 200 picnic pavilion reservations in Emricson Park.
- Woodstock, along with 13 other districts, is a member of the Northern Illinois Special Recreation Association (NISRA). NISRA is charged with enriching the lives of people with disabilities through meaningful recreation experiences.



OPERA HOUSE

- The Opera House hosted and assisted in the production of 509 events in the 2014 calendar year including 152 Main Stage events, 206 Café events and an additional 113 events throughout the historic building. Additionally, the Opera House assisted in the coordination and provided technical support for 38 events hosted in the Woodstock Park-In-The-Square, including eight performances by the Woodstock City Band in its 131st consecutive season.
- Is home to five local resident companies including Woodstock Musical Theatre Company, TownSquare Players, Woodstock Fine Arts Association, Woodstock Mozart Festival and the Judith Svalander Dance Theatre and works additionally with more than a dozen other independent producers each year.
- Owns and operates the Stage Left Café which hosts a variety of events including artistic performances, musical concerts, lectures, meetings, parties, receptions and private events throughout the year.
- Events and activities presented by the Woodstock Opera House and its facilities have a positive impact to the local economy estimated to exceed \$1.8 million annually.

PUBLIC LIBRARY

- Provides 38 computer work stations with high-speed Internet access and Microsoft Office 2013 for the public to use.
- Circulates more than 300,000 items and maintains a strong online presence offering 24/7 assistance at www.woodstockpubliclibrary.org.
- Maintains a collection of over 187,000 books, e-books, audio-books, DVDs and CDs and conducts more than 400 library programs.
- New Gallery space, for local artists as well as library displays, and a renovated and expanded Young Adult area.
- Local history information is available on the Library website, at <http://lookatillinois.info/> and www.flickr.com.
- Provides for a variety of online resources that residents can get access to via the Internet on topics such as: eAudiobooks, business, car repairs, genealogy, health, personal investment and many more!
- Free Wi-Fi is available throughout the building, along with wireless printing. In addition, a Kindle may be conveniently checked out, loaded with the current bestsellers.

PUBLIC WORKS ADMINISTRATION

- Oversees 49 full-time equivalent positions and a combined budget which exceeds \$6 million.
- Manages the City's infrastructure improvements.
- Assists the City Manager and City Council with strategic planning for all public facility needs.
- Provides administrative and management assistance to the five (5) operating divisions; training; and support for all public works employees; and administration of capital improvements and engineering services.

PARKS

- Maintains over 550 acres of City parks land, at 23 different locations.
- Maintains and prepares for game play 20 ball fields, 8 soccer fields and a football field. Manages and maintains 9 tennis courts, 9 basketball courts, and 18 playgrounds.
- Maintains all trees in the public right-of-way which includes Ash trees infected by the Emerald Ash Borer.
- Initiated a bump-out improvement plan which includes 42 bump-outs around the interior and exterior of the Square.
- Oversee building maintenance and necessary improvement projects at all facilities owned by the City.
- Assisted with the development of the Labyrinth at Dick Tracy Way Park.
- Operates a sidewalk snow removal program in the downtown and at most City-owned facilities.
- Prepared fields for approximately 1,500 scheduled ball games and 310 scheduled soccer games meeting the needs of user groups.
- Facilitated the renovation of Field A at Emricson park which included infield drainage, new dugouts, fencing and backstop, and field lights through a grant from the Baseball Tomorrow Fund (BTF).
- Provides support and assistance for community and City-sponsored events and block parties.

STREET & FLEET MAINTENANCE

- Provides mechanical service to the entire fleet of vehicles and equipment owned by the City; the entire fleet consists of 78 vehicles and 56 pieces of equipment.
- Coordinated the list of surplus vehicles and equipment. Prepped all vehicles for sale in order to get the most return on the City's initial investment.
- Fleet Mechanics teach Vehicle and Equipment Operators the appropriate operation and maintenance information to extend the useful life of equipment. Help employees obtain Commercial Drivers Licenses as necessary and appropriate.
- Removed and replaced 1,500 linear feet of deteriorating and/or hazardous sidewalk.
- Collected 3,780 cubic yards of leaves during our curbside pickup.
- Provided regular cleaning of downtown streets, parking lots, and all City streets using the two street sweepers.
- Provided snow ice control and removal services. Continued to provide services with overall goal of reducing the amount of salt used and to reduce overtime costs.
- Manages the maintenance of City streets, street lights, traffic signage, traffic signals, pavement marking, sidewalks, parking lots, storm sewers, snow removal and leaf collection.
- Maintained and repaired the City's storm sewer infrastructure.



WATER TREATMENT

- Well capacity in excess of 7.7 million gallons per day (mgd), with 3.3 million gallons of storage.
- The City received an award from the Illinois Department of Public Health (IDPH) in 2015 for perfect compliance with the Illinois mandated fluoride concentration in drinking water. This is the 19th consecutive year that the City of Woodstock has been recognized for this perfect compliance record.
- There were no violations of IDPH standards at the Woodstock Water Works in 2015.
- Delivered a safe, reliable water supply to customers. In 2015 there were no violations of regulatory standards or disruption of water service.

WASTEWATER TREATMENT

- Operated and maintained the City's two wastewater treatment plants, one off-site lift station, and all related equipment and facilities.
- Fully compliant with our IEPA NPDES operating permits and sludge permits.
- Treatment capacity of 15.9 MGD at the City's two wastewater treatment plants.
- Total average flow for both plants was 3.41 MGD in 2014; this is slightly higher than 2013.
- Hosted 4 educational tours for groups with ages ranging from grade school up to college.
- Through a DCEO grant, the City was able to recover the cost (\$110,000) for the purchase of two high speed turbo blowers with the City paying only for the cost of installation and electrical upgrades. Plant operators completed the installation in-house.
- This division maintains an inventory of commercial and industrial customers in order to keep aware of the chemicals and processes that are being used in the event an accidental release were to occur.

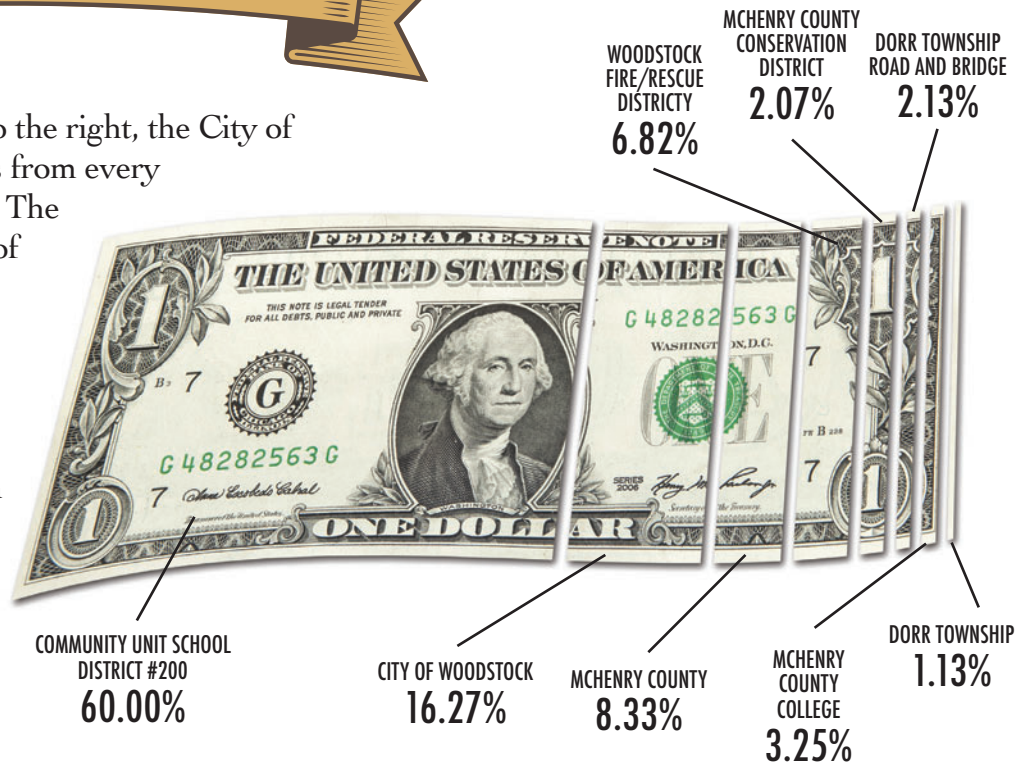
SEWER & WATER MAINTENANCE

- Operated and maintained the City's water distribution system (124.9 miles), two water booster stations, sanitary sewer collection system (107 miles), 1,410 fire hydrants, and the maintenance and operation of twenty (20) sanitary sewer pumping stations.
- Provides service to customers for meter reading, repairs of meters, and installation of new meters for the City's approximately 8,300 utility customer accounts.
- Completed the City-wide spring and fall unidirectional hydrant flushing program to improve water quality.
- Implemented a multi-year water meter replacement program to improve accuracy and reading efficiency.
- A City-wide leak detection survey was conducted.
- Division employees responded to 3,140 requests for utility locates under the Joint Utility Locating Information for Excavators (JULIE) system.
- Facilitated the repair of thirty-two (32) water main breaks and one (1) sanitary sewer force main.
- Responded to 390 customer service requests from residents, business owners, and industrial customers.
- Responded to 56 calls related to reported sanitary sewer backups.
- Repaired twelve (12) failed fire hydrants.



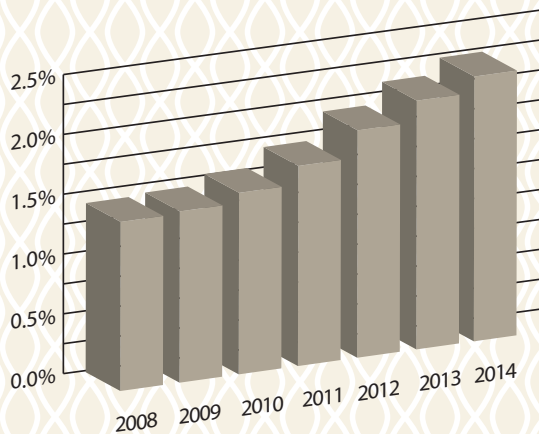
DIVIDING UP THE DOLLARS

As is indicated by the graphic to the right, the City of Woodstock receives 16.27 cents from every dollar of property tax collected. The remaining portion, 83.73 cents of each dollar is allocated to other taxing districts. This important revenue source is used to pay for day-to-day operations along with funding employer Social Security, Medicare and pension contributions. Certain debt service payments, such as the Library and Aquatic Center, which were authorized by referendum, are also paid using property tax dollars.



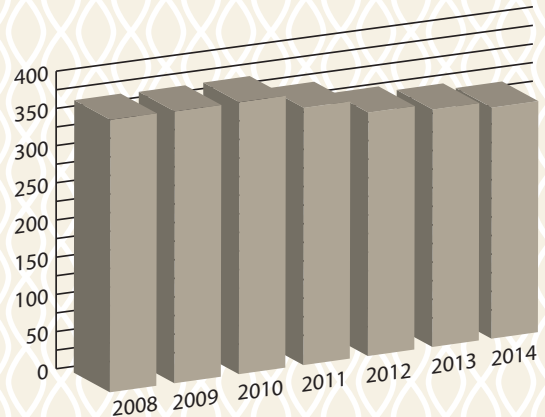
Based on figures from a typical 2014 property tax bill paid in 2015 for a resident of the City of Woodstock living in Dorr Township.

WOODSTOCK PROPERTY TAX RATE



The City of Woodstock's Equalized Assessed Value (EAV) peaked in 2008 as a result of increased property values along with new growth. Since then, the City has seen a significant decline in EAV as a result of the depressed housing market that was brought on by the economic crisis related to the tightening of credit by financial institutions. As a result of this decrease in EAV, the City's Property Tax Rate has risen from \$1.3460 in 2008 to \$2.2287 in 2014.

ESTIMATED TAX PAID TO CITY OF WOODSTOCK ON HOUSE VALUED AT \$100,000 IN 2008



Despite this significant increase within the tax rate, the average house in Woodstock has actually seen a decrease in taxes paid to the City of Woodstock. A house that was worth \$100,000 in tax year 2008 paid \$367.90 in property taxes. This same house would have paid \$305.38 for tax year 2014, if the EAV declined at the corresponding rate as the City's overall decline in EAV.

ECONOMIC DEVELOPMENT

THE PRIMARY ECONOMIC DEVELOPMENT INITIATIVES OF THE CITY OF WOODSTOCK ARE TO:

- Promote the economic well-being of the City through the retention, expansion and attraction of new commercial and industrial business sectors;
- Encourage commercial development on “in-fill” sites and in coordinated areas of unified design; and,
- Encourage economic revitalization of established areas, including the Downtown Business District.



Economic Development continues to be a primary focus for the City of Woodstock. Interest in the City is increasing and several new and expanded businesses

have taken advantage of the improving economy. In May, Woodstock Harley-Davidson opened their expanded facility at the former K-Mart/Sears Outlet building on south Route 47. Golden Rolls completed their move into the former Vaughn's Restaurant on Eastwood Drive. In the downtown, the Woodstock Public House opened in the Old Courthouse, while Centerville Station, a coffee, deli and convenience store, opened in the train station. Supermercado Del Sol and Restaurant Del Sol also opened in adjoining spaces on Church Street. Several commercial projects have been completed or are nearing completion including Great Lakes Credit Union, Brickstone Restaurant, Read Between the Lynes Bookstore, Porkies, and Dominoes Restaurant.

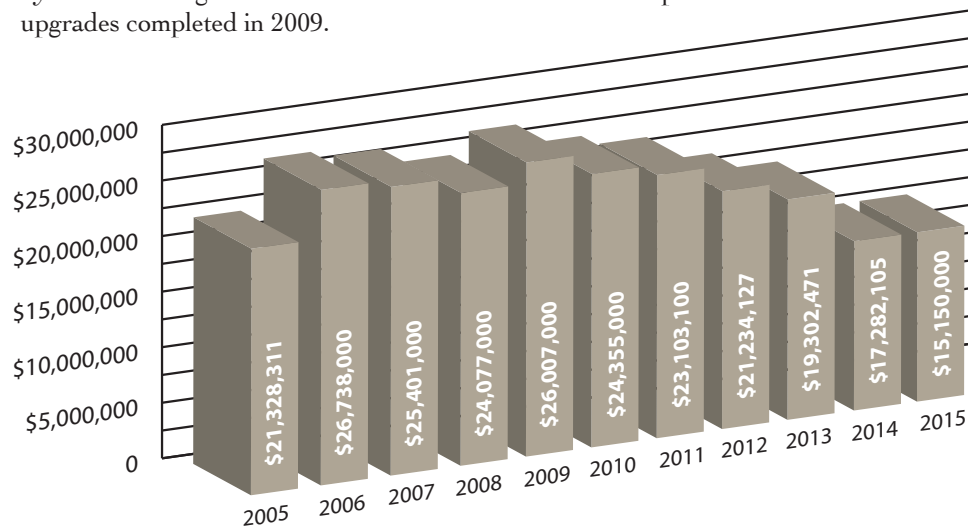
On the industrial side, Woolf Distributing completed extensive renovations and moved into the former Precision Quincy building on West Lake Shore Drive. Also, Guy's E-Paper relocated from Huntley, IL into part of the former DB Hess building on McConnell Road, and plans to expand their workforce. The remaining portion of the DB Hess building was purchased by Flo-Con, and they are converting this facility into their corporate headquarters in early 2016. Catalent Pharma Solutions is undergoing extensive renovations to their existing facility and hopes to bring on additional employees. Chicago Consumables is expanding and plans on moving from their existing facility to a site on McConnell Road and hire additional employees. Finally, the City was awarded an Enterprise Zone from the State of Illinois and this designation provides state and local incentives to businesses seeking to locate in Woodstock.



LONG-TERM DEBT UPDATE

The City issues long-term debt to provide funds for the construction of major capital facilities and other major capital improvement projects. One major advantage of utilizing debt financing is to spread the costs of the major capital improvements to the residents who are benefitting from the project. Using funds on hand may result in current residents paying for capital improvements from which they may never derive any benefits. In the end, a blend of both approaches is used by the City to fund capital improvements.

Since 2006, the City's overall outstanding debt has been declining as the City continues to pay off its obligations. The last major improvement funded by debt financing was for the First Street Water Treatment plant upgrades completed in 2009.



CITY OF WOODSTOCK DEPARTMENT DIRECTORY

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City Hall TDD • 815-338-1172

Dial-A-Ride • 888-451-4599

Library TDD • 815-334-2295

Opera House Box Office • 815-338-5300



The City of Woodstock's credit rating continues to be rated at "AA" by Standard and Poor's (S&P). When the City was upgraded on May 20, 2014, S&P cited the City's solid balance sheet along with strong management as the reason for the credit rating. In addition, Woodstock's proximity to Chicago and its economic diversity for commercial and industrial growth also contributed to this rating.



CITY COUNCIL

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